**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

PRAKASH PATEL, Intervenor-Plaintiff, v. JAY R. PATEL, MUKESH PATEL, RAJESH C. PATEL, RISHI PATEL, SHAMA PATEL, 218 CAPITAL PARTNERS, LLC, CARNEGIE CAFÉ, LLC, CARNEGIE HOTEL MANAGER, LLC, CHELSEA CAPITAL PARTNERS, LLC, DIPLOMAT COMPANIES, LLC, DIPLOMAT HOSPITALITY II, LLC, DIPLOMAT HOSPITALITY III, LLC, DIPLOMAT NBD HOTELS, LLC, RM KIDS, LLC and RM KID ONE, LLC, Defendants.	CIVIL ACTION FILE NO. 1:15-CV-03862-TCB **JURY TRIAL DEMANDED**

**FIRST AMENDED VERIFIED COMPLAINT OF
PLAINTIFF PRAKASH PATEL**

COMES NOW Prakash Patel, Plaintiff in the above-captioned action and, pursuant to this Court's Order of March 10, 2017, hereby files his First Amended Verified Complaint against the above-named Defendants, showing this Honorable Court as follows:

I. INTRODUCTION

1. This case involves a family-owned real estate business that operates as a criminal RICO Enterprise. The patriarchs of the family business are brothers R.C. Patel ("R.C.") and Mukesh "Mike" Patel ("Mike"). Their business partners, and co-conspirators, include R.C.'s wife, Shama Patel ("Shama"), and R.C.'s and Mike's respective sons, Jay Patel ("Jay") and Rishi Patel ("Rishi"). This First Amended Verified Complaint ("FAC") refers to R.C., Shama, Jay, Mike, and Rishi, collectively, as the "RICO Defendants."

2. Over a period spanning more than a decade, the RICO Defendants, through a litany of family-owned and family-controlled entities, acquired ownership interests in various revenue generating commercial and retail properties in Georgia and elsewhere. The RICO Defendants funded their acquisition of these commercial properties using money raised from, *inter alia*, their family members and members of the local Indian-American business

community. As detailed herein, on numerous occasions, the RICO Defendants cheated their investors out of the value of their investments by, *inter alia*, diverting operating income and sales profits from their commercial and retail properties to themselves and/or other companies that they owned and controlled. As detailed herein, the RICO Defendants fraudulent conduct constitutes a pattern and practice which typically involved transmission of false documents and information via U.S. mail and wires. The RICO Enterprise has harmed numerous investors and spawned criminal prosecutions against,[1] federal investigations into,[2] and dozens of lawsuits against some or all of the RICO Defendants.[3]

3. Plaintiff Prakash Patel ("Plaintiff") is one of many victims of the RICO Defendants' unlawful RICO Enterprise. As with many of their victims, Plaintiff, who is the brother of Shama Patel, is related to the RICO Defendants. In 2007, Plaintiff emigrated to the United States from the United Kingdom to begin working with in the family real estate business. Through his involvement, he acquired minority interests in family-owned

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[1] *United States of America v. R.C. Patel*, CIV.A. No. 3:14-00082 (M.D. Tn.).

[2] *FDIC v. Mukesh Patel*, *et al.*, CIV.A. No. 1:11-cv-02303-SCJ (N.D. Ga.).

[3] *See, e.g., infra*, ¶¶ 169-199.

and -controlled entities through which the RICO Defendants acquired two multi-million dollar properties in Downtown Atlanta.

4. One of those properties is a historic building located at 133 Carnegie Way NW, Atlanta, GA 30303, in Downtown Atlanta, which currently houses a Courtyard by Marriott Hotel and a restaurant. This FAC refers to that building as "the Carnegie Building."

5. Another of those properties is a building located at 218 Peachtree Street, NW, Atlanta, GA 30303, which currently houses a parking deck, offices, a convenience store, and several restaurants, including Fire of Brazil and Pittypat's Porch. This FAC refers to that building as the "218 Peachtree Building."

6. As detailed herein, the RICO Defendants cheated Plaintiff out of the value of his ownership interests in the Carnegie Building and 218 Peachtree Building by engaging in the same type of conduct that characterizes their operation of the RICO Enterprise. Specifically, the RICO Defendants used deceitful means (including the transmission of false information and documents via U.S. mail and wires) to divert operating income and sales profits from the Carnegie Building and 218 Peachtree Building to themselves and other family-owned and – controlled entities. Despite his ownership interest in the

Carnegie Building and 218 Peachtree Building, derived no financial benefit from the operation or sale of those properties, even though the RICO Defendants profited handsomely.

7. Only by threatening RICO litigation and other legal actions against the RICO Defendants, which would have jeopardized their ability to conclude business transactions involving the Carnegie Building and 218 Peachtree Building, did Plaintiff extract any payment from the RICO Defendants. However, as shown herein, the RICO Defendants fraudulently induced Plaintiff to settle his claims against them by making certain, material promises which were patently false when made and/or which they lacked a present intent to perform. Accordingly, the releases in the parties' settlement agreement do not preclude Plaintiff from asserting the claims set forth herein.

II. JURISIDICTION AND VENUE

8. This Court has subject matter jurisdiction over this action pursuant to 18 U.S.C. § 1964 and 28 U.S.C. § 1331 because this Complaint arises under the laws of the United States, and presents a federal question.

9. Venue is proper in this judicial circuit pursuant to 18 U.S.C. § 1965 and 28 U.S.C. § 1391because Defendants are subject to personal jurisdiction in this

judicial circuit and reside in this judicial circuit.

III. PARTIES

10. Plaintiff Prakash Patel ("Plaintiff") is a resident of the State of Georgia. At all relevant times, Plaintiff was the majority member and manager of the now administratively dissolved limited liability company VIP Development, LLC ("VIP").

11. RICO Defendant Rajesh C. Patel ("R.C.") is the brother-in-law of Plaintiff. Upon information and belief, he resides at 2253 Grady Ridge Trail, Duluth, Georgia 30097. Pursuant to Fed. R. Civ. P. 5(b)(1), R.C. may be served by serving his counsel of record in this action.

12. RICO Defendant Shama Patel ("Shama") is the wife of R.C. Patel and the sister of Plaintiff. Upon information and belief, Shama also resides and may be served at 2253 Grady Ridge Trail, Duluth, Georgia 30097.

13. RICO Defendant Jay R. Patel ("Jay") is the son of R.C. and Shama and the nephew of Plaintiff. Upon information and belief, Jay resides at 2253 Grady Ridge Trail, Duluth, Georgia 30097. Pursuant to Fed. R. Civ. P. 5(b)(1), Jay may be served by serving his counsel of record in this action.

14. RICO Defendant Mukesh "Mike" Patel ("Mike") is the brother of R.C. Upon information and belief, Mike resides at 2860 Cravey Drive, N.E.,

Atlanta, Georgia 30345. Pursuant to Fed. R. Civ. P. 5(b)(1), Mike may be served by serving his counsel of record in this action.

15. RICO Defendant Rishi M. Patel ("Rishi") is Mike's son. Upon information and belief, Rishi resides at 705 Town Boulevard, Unit 523, Atlanta, Georgia 30319. Pursuant to Fed. R. Civ. P. 5(b)(1), Rishi may be served by serving his counsel of record in this action.

16. Defendant 218 Capital Partners, LLC ("218 Capital Partners") is a Georgia limited liability company that maintains its principal office at 2253 Grady Ridge Trail, Duluth, GA 30097. Pursuant to Fed. R. Civ. P. 5(b)(1), 218 Capital Partners may be served by serving its counsel of record in this action.

17. Defendant Carnegie Café, LLC ("Carnegie Café") is a former Georgia limited liability company (dissolved on December 31, 2015) which maintained its principal office at 2100 Parkland Drive, Suite A, Atlanta, GA 30345, and could be served with process by serving its registered agent for service of process, Shama Patel, at the same address. In accordance with O.C.G.A. § 9-11-4(e)(1)(A), Carnegie Café may be served by (a) serving the Georgia Secretary of State; with (b) copies delivered, via certified mail, to:

(i) Carnegie Café at its last office address; and (ii) Shama at its last registered address.

18. Defendant Carnegie Hotel Manager, LLC ("Carnegie Manager") is a Georgia limited liability company which maintains its principal office at 2253 Grady Ridge Trail, Duluth, Georgia, 30097, and which may be served by serving its registered agent for service of process, Shama Patel, at the same address.

19. Defendant Chelsea Capital Partners, LLC ("Chelsea Capital") is a Georgia limited liability company which maintains its principal office at 2253 Grady Ridge Trail, Duluth, GA, 30097. Pursuant to Fed. R. Civ. P. 5(b)(1), Chelsea Capital may be served by serving its counsel of record in this action.

20. Defendant Diplomat Companies, LLC ("Diplomat Companies") is a former Georgia limited liability company (dissolved on February 4, 2015) that maintained its principal office at 2300 Henderson Mill Road, NE, #125, Atlanta, GA 30345, and could be served by serving its registered agent, R.C., at that same address. Because Diplomat Companies no longer maintains an office at such address, in accordance with O.C.G.A. § 9-11-4(e)(1)(A), Diplomat Companies may be served by (a) serving the Georgia Secretary of State; with (b) copies delivered, via certified mail, to: (i)

Diplomat Companies at its last office address; and (ii) R.C. at its last registered address.

21. Defendant Diplomat Hospitality II, LLC ("DH2") is a former Georgia limited liability company, which was dissolved effective February 10, 2015. According to DH2's last annual registration (filed in 2011), it transacted business from its offices located at 2100 Parklake Drive, NE, Suite A, Atlanta, GA 30345 and could be served by serving its registered agent, R.C., at that same address. Because DH2 no longer maintains an office at such address, DH2 may, in accordance with O.C.G.A. § 9-11-4(e)(1)(A), be served by (a) serving the Georgia Secretary of State; with (b) copies delivered, via certified mail, to: (i) DH2 at its last office address; and (ii) R.C. at its last registered address.

22. Defendant Diplomat Hospitality III, LLC ("DH3") is a former Georgia limited liability company, which was dissolved effective December 31, 2015. DH3 transacted business from its offices located at 2100 Parklake Drive, NE, Suite A, Atlanta, GA 30345 and could be served by serving its registered agent, R.C., at that same address. Pursuant to Fed. R. Civ. P. 5(b)(1), DH3 may be served by serving its counsel of record in this action.

23. Defendant Diplomat NBD Hotels, LLC ("Diplomat NBD") is a former Georgia limited liability company which maintained its principal office at 2100 Parklane Dr., NE, Suite A, Atlanta, GA 30345, and could be served with process by serving its registered agent for service of process, R.C., at that same address. Because Diplomat NBD no longer maintains an office at such address, in accordance with O.C.G.A. § 9-11-4(e)(1)(A), Diplomat NBD may be served by (a) serving the Georgia Secretary of State; with (b) copies delivered, via certified mail, to: (i) Diplomat NBD at its last office address; and (ii) R.C. at its last registered address.

24. Defendant RM Kids, LLC ("RM Kids") is a Georgia limited liability company that maintains its principal office at 2253 Grady Ridge Trail, Duluth, GA 30097, and may be served by serving its registered agent for service of process, Bryan Knight, at 1360 Peachtree Street, Suite 1201, Atlanta, GA 30309.

25. Defendant RM Kid One, LLC ("RM Kid One") is a former Georgia limited liability company that maintained its principal office at 2253 Grady Ridge Trail, Duluth, GA, 30097, and which could be served by serving its registered agent for service of process, R.C., at that same address. Because RM Kid One no longer maintains an office at such address, in accordance

with O.C.G.A. § 9-11-4(e)(1)(A), RM Kid One may be served by (a) serving the Georgia Secretary of State; with (b) copies delivered, via certified mail, to: (i) RM Kid One at its last registered address; and (ii) R.C. at its last registered address.

IV. FACTUAL ALLEGATIONS

A. Factual Allegations Related to Plaintiff's Claims.

1. Factual Background

26. Plaintiff is a citizen of the United Kingdom.

27. In 2005, at the invitation of R.C. and Shama, Plaintiff emigrated to the United States to become involved in the family-owned real estate business.

28. R.C. and Mike, through their family-owned and -controlled companies, sponsored Plaintiff's immigration applications.

29. In November, 2005, Plaintiff organized VIP Development, LLC ("VIP"), a now administratively dissolved Georgia LLC, which, at all relevant times, Plaintiff managed and majority-owned.

30. Plaintiff and VIP provided various services to the RICO Defendants and their entities with respect to the acquisition, renovation, and lease-up of both the Carnegie Building and the 218 Peachtree Building.

31. In exchange, and as further detailed below, Plaintiff received minority

ownership/membership interests in the entities that owned the Carnegie Building and the 218 Peachtree Building.

32. Consequently, Plaintiff expected to, and was legally entitled to, participate in profits derived from the operation and/or sale of the Carnegie Building and the 218 Peachtree Building.

33. Because the RICO Defendants, through their deceptive racketeering activities, deprived Plaintiff of his share of such profits, Plaintiff is a "person" who has suffered a compensable injury within the meaning of 18 U.S.C. § 1964(c).

2. The Carnegie Building

34. On August 24, 2005, R.C. and Mike organized DH2.

35. DH2's Articles of Organization identify R.C. and Mike as its sole members.

36. On June 1, 2007, R.C., Mike and Plaintiff entered into an "Admission Agreement" which amended DH2's "Articles of Organization" to give Plaintiff a ten percent (10%) membership interest in the entity.

37. On May 1, 2007, DH2 acquired the Carnegie Building for approximately $5.04 million dollars.

38. On July 18, 2007, R.C. organized Carnegie Hotels, LLC ("Carnegie Hotels").

39. Carnegie Hotels' "Articles of Organization" identified R.C. as its only member and identified the company's business purpose as "[t]o engage solely in the ownership, operation and management of" the Carnegie Building.

40. On August 3, 2007, Carnegie Hotels adopted an "Operating Agreement," which R.C. signed as Carnegie Hotels' sole, 100% member.

41. Thereafter, R.C. and Mike caused DH2 (in which Plaintiff possessed a 10% membership interest) to sell the Carnegie Building to Carnegie Hotels (in which R.C. possessed 100% of the membership interests) for approximately $12 million dollars.

42. Nevertheless, R.C. and Mike continued to recognize Plaintiff's ten percent (10%) ownership interest in the Carnegie Building.

43. For example, Carnegie Hotels issued federal and State Schedules K-1 to Plaintiff, for calendar year 2008, in which Carnegie Hotels identified Plaintiff as a ten percent (10%) owner of that entity. True and correct copies of Plaintiff's 2008 federal and State Schedules K-1 from Carnegie Hotels are attached hereto as composite Exhibit "A."

44. Additionally, Carnegie Café (the entity formed to own and operate the restaurant housed in the Carnegie Building) adopted an "Operating

Agreement," dated June 10, 2010, which was signed by Shama and Hasmita Patel ("Hasmita"),[4] Exhibit "A" of which identified Plaintiff as a ten percent (10%) member of that entity. A true and correct copy of the June 10, 2010 Carnegie Café Operating Agreement is attached hereto as Exhibit "B."

45. At all relevant times, based on such documents and R.C.'s and Mike's representations, upon which Plaintiff reasonably relied, Plaintiff believed himself to be a ten percent (10%) owner of Carnegie Hotels, which in turn owned the Carnegie Building and on-site café

46. On May 1, 2008, Plaintiff's company, VIP, entered into a "Development Services Agreement" with Carnegie Hotels under which Carnegie Hotels engaged VIP "to provide certain development and management services and to oversee all day-to-day operations in connection with" the redevelopment of the Carnegie Building.

47. In exchange for such services, VIP was to receive a "Development Fee" of $761,000.00.

48. Over the next several years, VIP performed in accordance with the terms of the "Development Services Agreement," with Plaintiff overseeing redevelopment of the Carnegie Building (from an office building into a

[4] Hasmita is the wife of RICO Defendant Mike Patel.

hotel, restaurant, and retail building).

49. Meanwhile, and unbeknownst to Plaintiff, Mike, R.C., and Shama were scheming to deprive Plaintiff of the value of his ownership interest in the Carnegie Building.

50. For example, in a document dated December 31, 2007, R.C., Shama, and Hasmita executed an "Amended & Restated Operating Agreement" on behalf of Carnegie Hotels, identifying Shama and Hasmita as the sole owners of Carnegie Hotels. A true and correct copy of the "Amended & Restated Operating Agreement" is attached hereto as Exhibit "C."

51. Despite his acknowledged ownership interest in Carnegie Hotels, R.C., Shama, and Hasmita did not disclose the existence of the "Amended & Restated Operating Agreement" to Plaintiff; rather, Plaintiff learned of the existence of the document only years after its purported execution date.

52. Additionally, on or about July 27, 2009, R.C., Shama and Hasmita caused the Carnegie Hotels' Operating Agreement to be further amended to identify the entity's owners as Carnegie Manager and Carnegie Hotel MT, LLC ("Carnegie MT").

53. Upon information and belief, R.C. and Shama caused Carnegie Manager to be organized on May 28, 2009, and Shama has, at all relevant times since,

served as that entity's Manager.

54. Upon information and belief, R.C. and Shama caused Carnegie MT to be organized on May 28, 2009, and Shama initially served as that entity's Manager.

55. Again, despite his acknowledged ownership interest in Carnegie Hotels, R.C., Shama, and Hasmita did not disclose the existence of these further amendments to Plaintiff; rather, Plaintiff learned of the existence of this document only years after it was executed.

56. Upon information and belief, R.C., Mike, and Shama transmitted or caused to be transmitted Carnegie Hotels' Amended and Restated Operating Agreements (which omitted Plaintiff's ownership interest), via U.S. mail and wires, to various third-parties involved in the redevelopment and eventual sale of the Carnegie Hotel.

57. For example, on April 6, 2011, counsel for Chevron U.S.A., Inc. ("Chevron") sent a letter to VIP and others, notifying it of an event of default under various agreements between Chevron, Carnegie Hotels, and Carnegie MT. A true and correct copy of the April 6, 2011 Chevron letter, which describes Carnegie Hotels' modified ownership structure, is attached hereto as Exhibit "D."

58. Additionally, the RICO Defendants schemed to deprive Plaintiff of his share of the profits from the eventual sale of the Carnegie Building.

59. On June 15, 2010, Carnegie Hotels entered into a "Second Priority Deed to Secure Debt, Assignment of Rents and Security Agreement" ("Chelsea Deed to Secure Debt") with Chelsea Capital under which Carnegie Hotels acknowledged, and agreed to repay, a purported $6.21 million-dollar loan from Chelsea Capital to Carnegie Hotels. R.C. signed the Chelsea Deed to Secure Debt on behalf of Carnegie Hotels and Jay signed it on behalf of Chelsea Capital. A true and correct copy of the Chelsea Deed to Secure Debt is attached hereto as Exhibit "E."

60. Chelsea never actually lent any money, much less $6.21 million dollars, to Carnegie Hotels.

61. On July 15, 2010, one month after he signed the Chelsea Deed to Secure Debt on behalf of Chelsea Capital, Jay caused Chelsea Capital to be organized as a Georgia limited liability company; thus, at the time of the purported $6.21 million-dollar loan from Chelsea Capital to Carnegie Hotels, Chelsea Capital did not yet exist.

62. On September 14, 2010, Jay caused the Chelsea Deed to Secure Debt to be recorded in the Fulton County Deed Book.

63. Thereafter, upon information and belief, R.C. and Jay transmitted, via U.S. mail and wires, the Chelsea Deed to Secure Debt to various parties involved in the development and eventual sale of the Carnegie Building.

64. For example, when, on January 12, 2012, Carnegie Hotels sold the Carnegie Building to non-party Summit Hotel TRS 099, LLC ("Summit") for $28,500,000.00, the "Closing Statement" for the transaction (which was signed by all of the parties to the transaction, including R.C.) listed an amount "Payable to Chelsea Capital Partners" of $4,013,850.81. A true and correct copy of the "Closing Statement" is attached hereto as Exhibit "F."

65. The Closing Statement also reflects an "Amount Due to Seller at Closing" of $2,234,217.89, which represented Carnegie Hotels' profit on the sale of the Carnegie Building.

66. Despite his ten percent (10%) ownership interest in the Carnegie Building, and his performance (through VIP) under the "Development Services Agreement," Plaintiff received nothing for his services and no share of the proceeds from the sale of the Carnegie Building.

67. Meanwhile, the RICO Defendants cleared in excess of $6 million dollars on the sale of the Carnegie Building, which included over $4 million dollars paid to Chelsea Capital for "repayment" of its fabricated loan to Carnegie

Hotels.

3. The 218 Peachtree Building

68. On April 20, 1994, Mike organized JRA Hotel, Inc. ("JRA Hotels"), an Alabama corporation.

69. On November 8, 1999, R.C. and Mike organized Diplomat NBD, with R.C. and Mike as its only initial members and managers.

70. At all relevant times, Plaintiff possessed a ten percent (10%) ownership interest in Diplomat NBD.

71. On August 29, 2005, R.C. and Mike organized DHIII with themselves as its only members.

72. On July 27, 2006, JRA Hotels and Diplomat NBD purchased the 218 Peachtree Building for $11.3 million dollars using, *inter alia,* $9,927,866.00 borrowed from Nexity Bank, the predecessor to Alostar Bank ("the Alostar Loan").

73. R.C., Mike and DH3 guaranteed the Alostar Loan.

74. After the purchase was completed, JRA Hotels owned thirty-one percent (31%) and Diplomat NBD owned sixty-nine percent (69%) of the 218 Peachtree Building.

75. By virtue of his ten percent (10%) ownership interest in Diplomat NBD,

Plaintiff became a 6.92% owner of the 218 Peachtree Building.

76. DH3 became the asset manager for the 218 Peachtree Building.

77. Documents prepared in connection with the later sale of the 218 Peachtree Building show that, during the years Diplomat NBD and JRA Hotels owned the Building, it generated positive net operating income of close to or greater than $1 million dollars annually.

78. Nevertheless, the other owners of Diplomat NBD and JRA Hotels (including Plaintiff) received no profit distributions or other share of the positive net operating income of the 218 Peachtree Building.

79. Rather, the RICO Defendants wrongfully diverted some or all of the profits derived from the 218 Peachtree Building to themselves and/or other family-owned and -controlled entities.

80. In late 2011, the Alostar Loan was scheduled to be repaid.

81. Around that time, the RICO Defendants embarked on a scheme to defraud the other owners of Diplomat NBD and JRA Hotels (including Plaintiff) out of the value of their ownership interests.

82. The scheme involved selling the 218 Peachtree Building, without the knowledge or consent of the other owners of Diplomat NBD and JRA Hotels (including Plaintiff), for far less than the Building's fair market value, to a

newly-formed entity owned by Jay and Rishi.

83. The scheme involved a mortgage broker, JMB Financial Advisors ("JMB"), based in Chicago, Illinois, to which the RICO Defendants provided false information in furtherance of the scheme.

84. The scheme also involved a lender, Jeffries LoanCore, LLC ("LoanCore"), based in Los Angeles, California, to which the RICO Defendants also provided false information in furtherance of the scheme.

85. On August 3, 2011, Jay and Rishi organized 218 Capital Partners.

86. Jay and Rishi organized 218 Capital Partners for the specific purpose of acquiring the 218 Peachtree Building. (Deposition of LoanCore and Steven Graines ("LoanCore Dep."), taken in the matter of *SR 20 Lodging, Inc. v. Jay Patel, et al.*, CIV.A. No. 2012-CV-216269 (Fulton County Superior Court, Georgia) ("the SR 20 Action"), Exhibit "G," at pp. 22-23.)[5]

87. On December 25, 2011, Jay and Rishi signed an "Operating Agreement" for 218 Capital Partners as its members and co-managers. (LoanCore Dep, Ex. 33.)

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[5] A confidentiality agreement governs the documents produced by LoanCore in the SR 20 Action. Accordingly, contemporaneously with the filing of his FAC, Plaintiff moves to file the LoanCore deposition transcript and exhibits under seal. (*See* Plaintiff's Motion to File LoanCore Documents Under Seal, filed contemporaneously herewith.)

88. On February 1, 2012, Jay and Rishi caused 218 Capital Partners to form a "Management and Leasing Agreement" with 218 Capital Manager, LLC ("218 Capital Manager"). (LoanCore Dep., Ex. 5.)

89. Jay and Rishi signed the "Management and Leasing Agreement" on behalf of 218 Capital Partners. (*Id.*)

90. The "Management and Leasing Agreement" identifies R.C. as the Manager of 218 Capital Manager. (*Id.*)

91. R.C. also signed the "Management and Leasing Agreement" on behalf of 218 Capital Manager. (*Id.*)

92. On February 17, 2012, two weeks after 218 Capital Partners and 218 Capital Manager entered into the "Management and Leasing Agreement," Rishi organized 218 Capital Manager as a Georgia limited liability company; that is, at the time 218 Capital Manager entered into that Agreement, the entity did not yet exist.

93. Rishi organized 218 Capital Manager for the specific purpose of managing the 218 Peachtree Building for 218 Capital Partners. (LoanCoare Dep., pp. 48-51 & Ex. 5.)

94. To finance the short sale of the 218 Peachtree Building from Diplomat NBD and JRA Hotels to 218 Capital Partners, the RICO Defendants turned to

JMB and LoanCore to obtain financing.

95. JMB prepared an offering memorandum, based on information that R.C., Jay, Mike and Rishi provided, which identified "Diplomat Companies" as the owner of the "Sponsor" of a requested $12,000,000 loan to "refinance" the 218 Peachtree Building. (LoanCore Dep., Ex. 7.)

96. The offering memorandum included a financial summary that showed the 218 Peachtree Building to be cash-flow positive and generating net income of close to or more than $1 million dollars annually in years 2008-2010. (*Id.*)

97. LoanCore's own underwriting model, using financial information provided by R.C., Jay, Mike and Rishi, also showed the 218 Peachtree Building to be cash-flow positive and generating net income of close to or greater than $1 million dollars annually in years 2008-2010. (LoanCore Dep., p. 67 & Ex. 8.)

98. LoanCore expressed interest in financing the requested loan and, thereafter, Steve Graines of LoanCore engaged R.C., Mike, Jay and Rishi in discussions regarding that subject.

99. Mr. Graines deposed that he engaged in "scores" of interstate phone calls, which he estimated to exceed twenty-five (25) in total, with R.C., Mike, Jay

and Rishi concerning the requested loan. (LoanCore Dep., pp. 118-19.)

100. Rishi also used the U.S. wires to upload to a shared DropBox folder various documents requested by LoanCore for purposes of conducting its due diligence for the requested loan. (LoanCore Dep., p. 79 & Exs. 19, 26, 30.)

101. The information that R.C., Mike, Jay and Rishi provided to LoanCore, by means of numerous interstate phone calls and documents provided via the U.S. wires, included false information.

102. First, R.C. and Mike falsely represented to LoanCore that they solely owned and controlled Diplomat NBD and JRA Hotels, such that they had the authority to act on behalf of Diplomat NBD and JRA Hotels with respect to the contemplated transaction. (LoanCore Dep., pp. 60-61.)

103. Second, and relatedly, R.C., Mike, Jay and Rishi misrepresented the nature of the contemplated transaction.

104. R.C., Mike, Jay and Rishi represented that the transaction constituted a "refinance" of an existing loan on the 218 Peachtree Building, as part of which ownership of the Building would be transferred from the fathers (R.C. and Mike) to their sons (Jay and Rishi), and the obligations on the new loan would be assumed by their sons (Jay and Rishi) and their wives (Shama and

Hasmita). As Mr. Graines deposed:

"*. . . I viewed R.C. and Mike as being the owners of the property and they were, in turn, you know, transferring their interests to their sons, so though still retaining an familial if not necessarily a legal interest. And so all four of them really are the operators of the property. You know, they're on every email, or a lot of them anyway. You know, they acted, you know, as a family and in unison.*"

(LoanCore Dep., p. 125; *see also, id.*, p. 52-53 (characterizing transaction as a "basic refinance," not an "arms-length transaction" between a buyer and seller)).

105. R.C., Mike, Jay and Rishi concealed from LoanCore that the transaction involved a short sale of the 218 Peachtree Building from Diplomat NBD and JRA Hotels to 218 Capital Partners. (LoanCore Dep., pp. 128-30.)

106. After learning that fact during his deposition, Mr. Graines of LoanCore testified that Jay had "lied to" him and that he was "skeptical of [Jay's] trustworthiness." (LoanCore Dep., p. 146.)

107. Third, R.C., Mike, Jay and Rishi provided LoanCore (and the other parties to the transaction) with materially false documents that, *inter alia*,

falsely indicated that R.C. and Mike possessed authority to undertake the contemplated "refinance" transaction on behalf of Diplomat NBD and JRA Hotels and which also grossly overstated the qualifications and net worth of the would-be borrowers and loan guarantors, Jay and Rishi. (LoanCore Dep., pp. 94-95 & Ex. 31.)

108. LoanCore relied upon the information and documents provided by R.C., Mike, Jay and Rishi to agree to extend the requested loan to 218 Capital Partners. (LoanCore Dep., p. 40.)

109. Accordingly, on or about April 9, 2012, LoanCore extended an $11.5 million-dollar loan to 218 Capital Partners, which Jay, Rishi, Shama and Hasmita personally guaranteed. (LoanCore Dep., pp. 20, 22, 55, 103-04 & Ex. 37.)

110. The same day, unbeknownst to the other owners of Diplomat NBD and JRA Hotels, 218 Capital Partners used those funds to purchase the 218 Peachtree Building from Diplomat NBD and JRA Hotels, in a short sale, for the below-market price of $7.8 million dollars. (LoanCore, Ex. 6.)

111. An appraisal report issued in January 2012, in connection with the due diligence for the LoanCore loan, estimated the 218 Peachtree Building to have a fair market value of $16 million dollars. (LoanCore Dep., p. 90 &

Ex. 30.)

112. R.C. signed the closing statement for the sale of the 218 Peachtree Building on behalf of the sellers, Diplomat NBD and JRA Hotels.

113. Jay and Rishi signed the closing statement on behalf of the buyer, 218 Capital Partners.

114. As a consequence of the undisclosed sale of the 218 Peachtree Building, the sole asset owned by Diplomat NBD and JRA Hotels (and, indirectly, by the owners of those entities, including Plaintiff) passed from Diplomat NBD and JRA Hotels to an entity wholly-owned and controlled by Jay and Rishi.

115. While R.C. and Mike directly benefited from the transaction (in that it retired the Alostar Loan which they had personally guaranteed), the other owners of Diplomat NBD and JRA Hotels (including Plaintiff) derived nothing of value and, instead, were deprived of the value of their investments.

116. On or about January 11, 2016, 218 Capital Partners sold the 218 Peachtree Building for $20.5 million dollars, an amount substantially in excess of (a) the $11.3 million Diplomat NBD and JRA Hotels paid for the property in 2006; and (b) the $7.8 million 218 Capital Partners paid for the

property in 2012.

117. Because the RICO Defendants' fraudulent transfer of the 218 Peachtree Building, which was accomplished by deceiving LoanCore into "refinancing" the property, resulted in the extinguishment of Plaintiff's ownership interest in that asset, Plaintiff derived nothing from the $20.5 million-dollars sale of that asset.

118. Rather, the RICO Defendants' fraudulent conduct accomplished its intended result: retaining for themselves the benefits derived from operating and selling the 218 Peachtree Building, to the detriment of the Building's other legitimate owners.

4. The Fraudulently Induced Settlement Agreement

119. Beginning in 2011, Plaintiff began requesting from R.C. financial records and other information regarding the Carnegie Building, the 218 Peachtree Building, and contemplated future transactions involving those buildings.

120. On March 2, 2011, in response to one such request, R.C. emailed to Plaintiff's business partner, Ryan Conway, certain financial statements and balance sheets for the entities that owned, managed, and operated the hotel and restaurant in the Carnegie Building.

121. The financial statements falsely overstated certain capital and operating expenses allegedly incurred in developing and operating the hotel, which (if true) would have had the effect of reducing any profits derived from the sale of the Carnegie Building and, correspondingly, reduced Plaintiff's share of those profits.

122. In December, 2011, when Plaintiff learned of the impending sale of the Carnegie Building to Summit, he specifically and repeatedly asked R.C. and his attorneys to disclose the closing date for the sale of the Carnegie Building.

123. As discussed above, the "Closing Statement" for that sale shows that the closing took place on January 12, 2012 and, further, that the parties to the transaction had entered into preliminary "Purchase and Sale Agreements" on November 7, 2011 and December 7, 2011. (Ex. F.)

124. Nevertheless, on December 3, 2011, R.C. stated in an email to Plaintiff that "[t]here is no closing for Carnegie, your information is incorrect."

125. On January 6, 2012 (six days before the closing), counsel for R.C. and Carnegie Hotels stated in an email to Plaintiff "there is no firm closing date yet."

126. On January 12, 2012 (the same day as the closing), Plaintiff and his counsel met with R.C., Mike, Jay and their counsel to review financial records related to the Carnegie Building and, despite Plaintiff's prior requests, neither R.C., Mike, Jay or their counsel disclosed to him that the closing was occurring that day.

127. R.C., Mike, Jay and their agents concealed from Plaintiff the closing date for the Carnegie Hotel sale in order to prevent Plaintiff from exercising his legal rights, as doing so may have jeopardized their ability to close the deal and abscond with the profits.

128. Around the same time, on December 20, 2011, Shama disclosed to Plaintiff that the RICO Defendants were actively seeking to get him deported in an effort to avoid their debts to him.

129. Accordingly, on December 22, 2011, counsel for Plaintiff sent a letter to, *inter alia*, R.C., Shama, Mike and Hasmita advising them that Plaintiff "has made us aware of your attempt to avoid this debt by attempting to tamper with his immigration status."

130. On December 29, 2011, counsel for, *inter alia*, R.C., Mike and Carnegie Hotels emailed Plaintiff's counsel a response letter, in which he falsely stated that, "with respect to your clients' claims that my clients have

tampered with [Plaintiff's] immigration status, these claims are completely false. My clients have not contacted anyone from Immigration Services or the Department of Labor . . . My clients have no intention damaging [Plaintiff's] immigration status . . ."

131. On March 1, 2012, Plaintiff filed the lawsuit styled *Prakash Patel and VIP Development, LLC v. Knight Johnson, LLC*, CIV.A. No. 12-CV-212145 (Superior Court of Fulton County, Georgia) ("the Action").

132. Plaintiff's filing of the Action precipitated settlement negotiations between counsel for Plaintiff and counsel for, among others, R.C., Mike, and Carnegie Hotels.

133. Those settlement negotiations culminated in the formation of a "Release and Settlement Agreement" ("the Settlement Agreement") between Plaintiff, certain of the RICO Defendants, and certain of the RICO Defendants' entities (collectively "the Settling Defendants"), which became effective on March 23, 2012.[6]

134. Under Section 3.4 of the Settlement Agreement, the Settling Defendants expressly warranted that they possessed no knowledge of any

[6] The Settlement Agreement contains confidentiality provisions and, as such, has been filed under seal with the Court. Accordingly, Plaintiff's FAC refers to the terms of the settlement agreement only generally and by reference to the applicable section number.

"complaint, investigation, inquiry or proceeding [between the parties] other than the Action."

135. As Plaintiff would later learn, this representation of the Settling Defendants was false at the time it was made, because (as detailed below) Mike and Jay had, prior to their counsel's letter of December 19, 2011, and prior to their entry into the Settlement Agreement on March 23, 2012, emailed separate letters to U.S. Citizenship and Immigration Services accusing Plaintiff of various federal crimes and seeking his deportation.

136. Also under Section 3.4 of the Settlement Agreement, the Settling Defendants agreed to (a) refrain from instituting, or causing to be instituted, any action, investigation, or proceeding against Plaintiff; (b) refrain from interference with Plaintiff's business and family relations; and (c) refrain from disparaging or defaming Plaintiff.

137. As Plaintiff would later learn, the Settling Defendants agreed to these provisions lacking a present intent to perform, as demonstrated by their continued efforts, even after entering into the Settlement Agreement, to interfere with Plaintiff's business, interfere with Plaintiff's immigration status, and damage his personal and business reputation.

138. Under the Settlement Agreements, the Settling Defendants agreed to

pay Plaintiff a sum certain, in three installments.

139. The Settling Defendants agreed that Diplomat Companies and R.C. would "cause" the final installment payment to be made to Plaintiff on or before March 23, 2015, the date three (3) years from the Settlement Agreement's execution.

140. As part of the Settlement Agreement, Diplomat Companies executed a promissory note in Plaintiff's favor in the amount of the final installment payment, and R.C. executed a personal guaranty securing such payment.

141. As Plaintiff would later learn, the Settling Defendants agreed to this term lacking a present intent to perform, as demonstrated by their subsequent efforts to render Diplomat Companies and R.C. judgment-proof.

142. As reflected in the sworn "Declaration of Paul A. Jones," Court-appointed accountant in the matter of *In re: Diplomat Construction, Inc.*, Case No. 09-68613-MGD (N.D. Ga. Bankr.), prior to March 24, 2014, R.C. systematically transferred all of his U.S. income producing assets to his wife, Shama. A true and correct copy of the "Declaration of Paul A. Jones" is attached hereto as Exhibit "H."

143. On January 21, 2015, R.C. caused to be electronically-filed a "Certificate of Termination of Diplomat Companies" in which he falsely

asserted that "[a]ll known debts, liabilities and obligations of the limited liability company have been paid." A true and correct copy of the "Certificate of Termination of Diplomat Companies" is attached hereto as Exhibit "I."

144. On February 4, 2015, the Secretary of State of the State of Georgia terminated Diplomat Companies.

145. On November 17, 2015, R.C. caused Diplomat Companies to file for Chapter 7 Bankruptcy in the matter of *In re Diplomat Companies, LLC*, CIV.A. No. 15-22353-jrs (N.D. Ga. Bankr.). A true and correct copy of Diplomat Companies' "Voluntary Petition," signed by R.C. as the entity's CEO, is attached hereto as Exhibit "J."

146. On August 30, 2016, R.C. filed for Chapter 7 bankruptcy in the matter of *In re: Rajesh C. Patel*, CIV.A. No. 16-65074-lrc (N.D. Ga. Bankr.). A true and correct copy of R.C.'s "Voluntary Petition," signed by him, is attached hereto as Exhibit "K."

147. Not surprisingly, the third installment payment due to Plaintiff under the Settlement Agreement was not made.

148. Accordingly, on April 24, 2015, Plaintiff filed the lawsuit styled *Prakash Patel v. Rajesh Patel, et al.*, CIV.A. No. 15-CV-4754-3, in the

Superior Court of DeKalb County, Georgia.

149. In response to the lawsuit, on May 12, 2015, Jay sent a series of emails with attachments to (a) Plaintiff; (b) Plaintiff's ex-wife; (c) Plaintiff's sons; (d) Plaintiff's attorneys; (e) various attorneys at Alston & Bird, LLC, including Teresa Bonder, the spouse of one of Plaintiff's attorneys; (f) various officials at the State Bar of Georgia; (g) U.S. Citizenship and Immigration Services; and (h) the Federal Bureau of Investigations. True and correct copies of Jay's May 12, 2015 email, including non-confidential email attachments, are attached hereto as collective Exhibit "L."[7]

150. Besides defaming both Prakash and his attorney, and falsely accusing both of various federal crimes and ethical lapses, the email (and attachments thereto) revealed that the RICO Defendants contacted various federal agencies and spread lies about Plaintiff and his business, in an attempt to get him deported, both before, during the negotiation of, and after the formation of the Settlement Agreement.

151. For example, on or after May 12, 2015, Plaintiff learned that, on December 15, 2011, Mike emailed a letter to U.S. Citizenship and Immigration Services in which he accused falsely Plaintiff of immigration

[7] The attachments to the email included, for example, copies of Plaintiff's income tax records and immigration paperwork.

fraud and expressly requested that Plaintiff be "deported from the United States." A true and correct copy of Mike's December 15, 2011 letter is attached hereto as Exhibit "M."

152. On or after May 12, 2015, Plaintiff received copies of emails, dated January 19, 2012 and January 20, 2012, respectively, between R.C., Mike, Jay and Rishi, in which they are discussing Mike's phone conversations with immigration officials. True and correct copies of the emails are attached hereto as Exhibit "N."

153. On or after May 12, 2015, Plaintiff also learned that, on January 26, 2012, Jay emailed a letter to U.S. Citizenship and Immigration Services in which he falsely accused Plaintiff of committing a host of federal crimes (including extortion, immigration fraud, perjury, predatory lending practices, RICO violations, and tax evasion), and requested the "immediate deportation of the illegal alien Mr. Prakash Patel." (Ex. L.)

154. These documents demonstrate that the RICO Defendants' counsel falsely represented, in his emailed letter of December 29, 2011, that his clients had "not contacted anyone from Immigration Services" and had "no intention damaging [Plaintiff's] immigration status . . ."

155. These documents further demonstrate that the Settling Defendants

falsely warranted, in Section 3.4 of the Settlement Agreement, that they lacked knowledge of any "complaint, investigation, inquiry or proceeding [between the parties] other than the Action."

156. Further, Jay's May 12, 2015 emails, the accompanying attachments, and other subsequently discovered evidence show that (a) efforts persisted to obtain Plaintiff's deportation after the parties entered into the Settlement Agreement; and (b) each of the RICO Defendants directly participated in or knew about these ongoing efforts.

157. For example, the attachments to Jay's email are replete with handwritten notations, made by R.C., which became the basis for the RICO Defendants' false allegations about Plaintiff to the U.S. Citizenship and Immigration Services and others.

158. Additionally, the attachments include a U.S. Department of Labor document, dated January 25, 2013 (months after the parties entered into the Settlement Agreement), R.C.'s handwritten notations on which indicate he communicated with a representative of the Department of Labor on February 12, 2013. (Ex. L.)

159. The attachments also include emails between Jay and a real estate broker from August, 2014 (more than a year after the parties entered into the

Settlement Agreement) in which Jay solicits information regarding Plaintiff's business which, upon information and belief, he used in the furtherance of the RICO Defendants' scheme to cause Plaintiff's deportation. (Ex. L.)

160. On November 30, 2015, Plaintiff filed the case styled *Prakash Patel v. Jay Patel*, CIV.A. No. 15-A-12247-9 (Superior Court of Gwinnett County, Georgia), in which he stated defamation claims against Jay arising from his publication of the May 12, 2015 emails.

161. During the trial of that matter, Shama gave sworn testimony in which she admitted that she knew about the letters Mike and Jay wrote to U.S. Citizenship and Immigration Services, and that the RICO Defendants' purpose in seeking his deportation was to avoid paying his claims. (Trial Transcript of Shama Patel, attached hereto in relevant part as Exhibit "O," at pp. 18-19, 45-46, 59.)

162. Also during the trial of that matter, Jay gave sworn testimony in which he admits that he gave the false warranty contained in the parties' Settlement Agreement; that he sent the May 12, 2015 emails and the attached January 26, 2012 letter to U.S. Citizenship and Immigration; that he sent those documents for the purpose of putting a stop to Plaintiff's litigation

against him and the other RICO Defendants; and that he met with officials from the U.S. Department of Labor in April, 2013, after the parties entered into the Settlement Agreement, in the furtherance of the RICO Defendants' ongoing scheme to have Plaintiff deported. (Trial Transcript of Jay Patel, attached hereto in relevant part as Exhibit "P," at pp. 5, 7, 10, 13, 16, 34-35, 40, 51, 55, 61.)

163. On April 15, 2016, an impartial jury in Gwinnett County, Georgia, unanimously found Jay liable for libel and libel *per se* for his false accusations. A true and correct copy of the "Final Judgment" entered against Jay is attached hereto as Exhibit "Q."

B. Other Predicate Acts and Victims.

164. Plaintiff is not an isolated victim of the RICO enterprise alleged herein.

165. On the contrary, the RICO Defendants, through a pattern and practice of racketeering activity spanning at least a decade, have defrauded numerous other investors in the family-real estate business.

166. As with Plaintiff, the RICO Defendants defrauded these other victims by, among other things, transmitting false information via U.S. mail and wires.

1. Mahesh Kisan.

167. On December 23, 2009, Mahesh Kisan ("Kisan") filed a federal RICO lawsuit against R.C. and Mike the United States District Court for the District of South Carolina in the case styled *Mahesh Kisan v. MB Atlantic Palms, LLC, et al.*, CIV.A. No. 4:08-cv-03302 ("Verified Kisan Complaint"). A true and correct copy of the Verified Kisan Complaint is attached hereto as Exhibit "R."

168. The Kisan Verified Complaint asserted various claims against R.C. and Mike related to Kisan's investment of $1.25 million dollars toward the acquisition of a hotel property in Myrtle Beach, South Carolina, and the debt on a Best Western Hotel in Atlanta, Georgia, respectively. (Ex. R.)

169. The Verified Kisan Complaint stated Federal RICO claims against R.C. and Mike based on the predicate acts of mail and wire fraud under 18 U.S.C. § 1341 and 1343. (Ex. R, Counts Thirteen and Fourteen, ¶¶ 151-165.)

170. Specifically, the Verified Kisan Complaint alleged that R.C. and Mike used U.S. mail and wires to "disseminate[ ] or transmit" numerous false documents, "as part of a fraudulent scheme to mislead the public and private entities." (Ex. R, ¶ 155.)

171. The Verified Kisan Complaint identified ten (10) specific instances where R.C. and Mike engaged in such dissemination or transmission of false documents. (*Id.*)

172. Kisan's allegations regarding his investments in the Myrtle Beach hotel and the Atlanta Best Western also became the basis for a federal criminal prosecution against R.C.

173. On May 14, 2014, a Grand Jury in the United States District Court for the Middle District of Tennessee returned a ten (10) count Indictment against R.C. for mail fraud, wire fraud, and engaging in monetary transactions in property derived from specified unlawful activity, in violation of 18 U.S.C. §§ 1341, 1343 and 1957. A true and correct copy of the Indictment is attached hereto as Exhibit "R."

174. On July 13, 2015, R.C. entered a plea of guilty to the crimes of mail and wire fraud. True and correct copy of R.C.'s "Petition to Enter a Plea of Guilty" and "Plea Agreement" are attached hereto as Exhibit "S."

175. Consequently, R.C. was sentenced to 6 months in federal prison (which he has now served), followed by two years of supervised release.

2. Mahesh Patel.

176. On November 5, 2015, Mahesh Patel ("Mahesh"), the brother of R.C.

and Mike, filed a federal RICO Complaint against R.C., Jay, Mike and Rishi, among others, in this Court. (Doc. No. 1.)

177. Mahesh's RICO Complaint alleged that he "misplaced [his] trust in relatives who systematically stole money from other family members, including Mahesh [ ], who were mere passive investors in the family's business." (*Id.*, Introductory Paragraph.)

178. Mahesh's RICO Complaint alleged that R.C., Jay, Mike and Rishi "engaged in numerous schemes involving their family's business and the properties owned by that business, which have resulted in the theft of significant assets from the business to the detriment of investors, owners, and creditors, including [Mahesh]." (*Id.*, ¶ 24.)

179. Mahesh's RICO Complaint further alleged that "[t]hese Defendants' schemes often involve having [their entities] make payments for fabricated transactions and loans, thus depleting the entities' assets, then selling or refinancing the real property owned by the entity at a discount. Upon the refinancing or sale, other owners, investors or creditors were cut out either because ownership of the property was transferred to another entity owned by one or more individual Defendants or repayment of the fictitious loans resulted in no net proceeds to pay other creditors, owners, or investors."

(*Id.*, ¶ 29.)

180. Mahesh's RICO Complaint made specific allegations concerning three properties: the "Whitehorse/Days Inn"; the 218 Peachtree Building (in which Plaintiff was an investor); and the Myrtle Beach hotel (in which Kisan was an investor. (*Id.*, ¶¶ 33-103 & Exs. 2-13.)

181. With respect to the 218 Peachtree Building (in which Plaintiff was an investor), Mahesh's RICO Complaint alleges, like Plaintiff, that R.C. and Mike wrongfully diverted operating income from the 218 Peachtree Building to themselves and/or other family-owned and -controlled entities, and also caused the 218 Peachtree Building to be sold for less than fair market value to Jay and Rishi's entity, 218 Capital Partners, all to the detriment of the other owners of Diplomat NBD and JRA Hotels (including Mahesh). (*Id.*, ¶¶ 62-78.)

182. Mahesh's RICO Complaint further alleges that, after 218 Capital Partners took control of the 218 Peachtree Building, Jay and Rishi, on multiple specifically enumerated instances, wrongfully diverted operating income from the 218 Peachtree Building to themselves and other family-owned and -controlled entities, including RM Kids and RM Kid One. (*Id.*, ¶¶ 83-84, 91.)

183. Mahesh's RICO Complaint states federal RICO Claims against R.C., Jay, Mike, and Rishi based on numerous, specifically-enumerated acts of mail fraud, wire fraud, transportation of stolen property, transactions involving property derived from specified unlawful activity, violations of the Hobbs Act, extortion, and endeavoring to obstruct justice. (*Id.*, ¶¶ 171-242.)

3. SR 20 Lodging, Inc.

184. On June 8, 2012, SR 20 Lodging, Inc. ("SR 20") filed a lawsuit against R.C., Shama, Jay, Mike, Hasmita and Mit Amin ("Amin"), among others, in the Fulton County Superior Court, styled *SR 20 Lodging, Inc. v. Rajesh Patel, et al.*, CIV.A. No. 2012CV216269 ("the SR 20 Complaint"). A true and correct copy of the SR 20 Complaint is attached hereto as Exhibit "T."

185. SR 20 is a Georgia corporation owned by the individuals Sunil Bhika, Raman Bhima, and Kishor Bhika.

186. Like Plaintiff, SR 20 acquired an ownership interest in the 218 Peachtree Building through its investment in, and membership interest in, JRA Hotels.

187. In its lawsuit, SR 20, like Plaintiff, alleged that R.C., Shama, Jay, Mike, Hasmita, and Amin conspired to defraud SR 20 out of the value of its

ownership interest in the 218 Peachtree Building. (Ex. T.)

188. In response to the lawsuit, Jay filed a bogus counterclaim against SR 20 and its individual owners alleging that they tortiously interfered with his efforts to acquire an interest in the Dream Hotel, costing him and his entity Chelsea Capital $25 million dollars in profit.

189. During the lawsuit, counsel for SR 20 deposed Steve Graines of LoanCore (Jay's lender for the purported Dream Hotel transaction) regarding, inter alia, Jay's tortious interference allegations. (Ex. G, pp. 26-31, 43, 105-112, 126-127, 134-146.)

190. Mr. Graines testimony not only confirmed the falsity of Jay's counterclaim allegations, but also revealed that (as with the 218 Peachtree Building) Jay transmitted false information to LoanCore in connection with his efforts to obtain financing for the Dream Hotel. (*Id.*)

191. Following the deposition of Mr. Graines, SR 20 moved for sanctions based on Jay's assertion of false factual allegations in support of his counterclaims.

192. A short time later, SR 20 settled its lawsuit against, *inter alia*, R.C., Shama, Jay, Mike, Hasmita and Amin.

193. Under the parties' settlement agreement, SR 20 was given a ten

percent (10%) ownership interest in 218 Capital Partners.

194. Nevertheless, during a September 16, 2015 preliminary injunction hearing before this Court, Jay falsely testified that SR 20 lacked any ownership or other economic interest in 218 Capital Partners. (Transcript of Preliminary Injunction Hearing, attached hereto as Exhibit "U," at pp. 35-37.)

V. CAUSES OF ACTION

COUNT ONE—FRAUDULENT INDUCEMENT/RECISSION (Against the Settling Defendants)

195. Plaintiff re-alleges and incorporates by reference the allegations set forth in the preceding paragraphs as if fully set forth herein.

196. The Settling Defendants fraudulently induced Plaintiff to enter into the Settlement Agreement by warrantying false facts and by making promises which they lacked the present intent to perform.

197. Specifically, the Settling Defendants falsely warranted, in Section 3.4 of the Agreement, that they knew of no "complaint, investigation, inquiry or proceeding [between the parties] other than the Action."

198. In fact, at the time the Settling Defendants made this representation, Mike and Jay had both written letters to U.S. Citizenship and Immigration

Services falsely accusing Plaintiff of federal crimes and requesting his immediate deportation.

199. The other Settling Defendants (including the RICO Defendants) were aware of and participated in Mike and Jay's activities.

200. Additionally, the Settling Defendants promised, in Section 3.4 of the Settlement Agreement, not to disparage Plaintiff or interfere with his business or personal lacking a present intent to perform.

201. As Plaintiff would later discover, the Settling Defendants' scheme to slander Plaintiff, and thereby ruin his business and cause his deportation, continued unabated even after the parties entered into the Settlement Agreement.

202. Further, the Settling Defendants agreed that Diplomat Companies and R.C. would cause the third installment payment to be made to Plaintiff lacking a present intent to perform.

203. In addition to their continued efforts to obtain Plaintiff's deportation (which occurred during the three-year period before the third installment payment came due), R.C. took steps to assure that he and Diplomat Companies would be asset-less and judgment proof before the third installment payment came due.

204. The Settling Defendants intended to deceive Plaintiff.

205. In good faith and justifiable reliance on the Settling Defendants' false warranties and false promises, Plaintiff entered into the Settlement Agreement, thereby compromising his claims against the Settling Defendants for less than the full amount actually due him.

206. The Settling Defendants' breaches of the Settlement Agreement were, and are, so substantial and fundamental as to defeat the object of the Agreement.

207. Plaintiff has suffered and continues to suffer harm as a result of the Settling Defendants' fraudulent inducement of, and conduct in violation of the terms of, the Settlement Agreement.

208. As a result of Defendants' fraud in the inducement of the Settlement Agreement, Plaintiff is entitled to rescind the Agreement and pursue all claims compromised and released thereunder.

209. Further, as a result of Defendants' fraud in the inducement, Defendants are liable to Plaintiff for damages in an amount to be proven at trial, but believed to be in excess of $1 million

COUNT TWO—BREACH OF FIDUCIARY DUTY
(Against R.C., Shama, and Mike)

210. Plaintiff adopts and incorporates the allegations of the preceding

paragraphs as if fully stated herein.

211. As a result of their positions as majority owners of and managers of Carnegie Hotels and Diplomat NBD, R.C., Shama, and Mike owed, and continue to owe, Plaintiff a fiduciary duty.

212. By engaging in the various acts set forth above, R.C., Shama, and Mike have willfully and maliciously breached their fiduciary duties owed to Plaintiff.

213. Plaintiff has suffered injuries and is entitled to recover damages in an amount to be proven at trial, as well as continuing interest and consequential damages. Plaintiff is entitled to the recovery of these direct and consequential damages, plus interest, attorneys' fees, and costs.

214. The conduct of R.C., Shama, and Mike was willful, malicious, and done with the bad faith intent to benefit themselves financially at the expense of Plaintiff, thus justifying an award of punitive damages in an amount to be determined by the enlightened conscience of a jury.

COUNT THREE—TORTIOUS INTERFERENCE WITH BUSINESS RELATIONS
(Against The RICO Defendants)

215. Plaintiff re-alleges and incorporates by reference the allegations set forth in the preceding paragraphs as if fully set forth herein.

216. Through the conduct herein described, the RICO Defendants have intentionally interfered with Plaintiff's business and prospective business opportunities.

217. The RICO Defendants have acted improperly, without privilege, purposely, with malice, and with the intent to injure Plaintiff.

218. Accordingly, Plaintiff seeks an award of all allowable damages, including punitive damages, for the RICO Defendants' intentional and tortious interference with business relations.

COUNT FOUR – UNJUST ENRICHMENT/CONSTRUCTIVE TRUST
(Against The RICO Defendants)

219. Plaintiff re-alleges and incorporates by reference the allegations set forth in the preceding paragraphs as if fully set forth herein.

220. The RICO Defendants have been unjustly enriched by their theft, diversion, and transfers of funds and property that should have been distributed to Plaintiff.

221. Accordingly, Plaintiff seeks the imposition of a constructive trust upon the property of those defendants sufficient to repay them for the amounts taken.

COUNT FIVE – AVOIDANCE OF FRAUDULENT TRANSFERS
(Against All Defendants)

222. Plaintiff repeats and re-alleges the allegations of the preceding paragraphs as if the same were fully set forth verbatim herein.

223. Plaintiff is a “creditor” of Carnegie Hotels, Diplomat NBD and 218 Capital Partners within the meaning of the Uniform Fraudulent Transfers Act ("UFTA"), O.C.G.A. § 18-2-70, *et seq*.

224. Plaintiff is also a creditor of the RICO Defendants, within the meaning of UFTA, by virtue of their criminal and tortious conduct, which has created debts they owe to Plaintiff.

225. Further, as directors, officers, and/or persons in control of Carnegie Hotels, Diplomat NBD and 218 Capital Partners, the RICO Defendants are "insiders" within the meaning of the UFTA.

226. The RICO Defendants used their dominion and control over Carnegie Hotels, Diplomat NBD, and 218 Capital Partners to divert funds to and assets that should have been used for the operation of those entities and/or for distribution to members/shareholders, including but not limited to the funds used to “repay” the bogus Chelsea Capital loan, to themselves and/or other family-owned and -controlled entities, including but not limited to the other named Defendants.

227. Indeed, as this Court has observed, “[i]t appears from [the] evidence

that Defendants may have transferred certain of their assets, such as real estate holdings, to relatives for no consideration and that Defendants have attempted to use a vast array of shell companies to hold assets in a manner that would make those assets difficult for creditors to find." Exhibit 30 at 4-5, Order, dated Mar. 31, 2015, in *State Bank of Texas v. Patel*, No. 1:09-CV-1494-WBH (N.D. Ga.).

228. Further, the RICO Defendants used their dominion and control over Diplomat NBD and 218 Capital Partners to transfer and convey the 218 Peachtree Building, and all rights and benefits derived by Diplomat NBD from the ownership and the operation of the 218 Peachtree Building, to themselves to the detriment and exclusion of Plaintiff.

229. Upon information and belief, the RICO Defendants received all or substantially all of the benefits derived from the ownership and transfer of the 218 Peachtree Building, to the exclusion of Diplomat NBD and its members, including Plaintiff.

230. The transfer of the 218 Peachtree Building was fraudulent because it was made (a) to "insiders"; (b) with knowledge of Plaintiff's ownership interest and Plaintiff's rights associated with same; (c) without notice to Plaintiff or Diplomat NBD's other, non-insider members; (d) while debts

and other obligations were due and owing to Plaintiff; (e) without Diplomat NBD receiving reasonably equivalent value; and (f) with actual intent to hinder, delay and/or defraud Plaintiff.

231. This transfer was an intentional, knowing and willful act undertaken to avoid having to and/or being able to satisfy the obligations due and owing to Plaintiff, and designed to avoid his ownership interest Diplomat NBD.

232. Pursuant to UFTA, Plaintiff is entitled to the avoidance of Defendants' fraudulent transfers and compensatory damages against Defendants in the amount of the fraudulent transfers plus exemplary damages and attorneys' fees.

COUNT SIX – APPOINTMENT OF A RECEIVER
(Against All Defendants)

233. Plaintiff adopts and incorporates the allegations of the preceding paragraphs as if fully stated herein.

234. As alleged above, Defendants have perpetrated a scheme designed to syphon the value out of properties that should have been managed for the benefit of those holding ownership interests in the entities holding the properties. Instead, Defendants have systematically enriched themselves at the expense of investors like Plaintiff.

235. If Defendants are permitted to continue to control the properties at

issue, Plaintiff, and potentially other passive investors and creditors, will suffer irreparable harm.

236. Plaintiff therefore respectfully requests the appointment of a receiver pursuant to 2 U.S.C. § 754 and O.C.G.A. § 9-8-1 et seq. The Court should vest extensive powers in that receiver, and authorize him or her to assume control over the estates of each of the Entity Defendants, and to ascertain how the assets of those entities should be managed and disbursed for the benefit of the entire family, outside investors, and creditors.

COUNT SEVEN – ACCOUNTING
(Against the RICO Defendants)

237. Plaintiffs adopt and incorporate the allegations of the preceding paragraphs as if fully stated herein.

238. The RICO Defendants have, as alleged above, controlled several properties in which Plaintiff and other investors held interests.

239. The RICO Defendants have commingled and misappropriated funds related to these properties, and have failed to provide Plaintiff with information concerning the properties, proceeds from the sale of the properties, and his interests in the properties.

240. Plaintiff does not have full access to the information about these properties that the RICO Defendants possess and control.

241. Plaintiff therefore respectfully requests that the Court order an accounting from these RICO Defendants that details the flow of funds into and out of the entities holding properties in which Plaintiff has or had an interest, and also detailing how such funds were used after being transferred out of those entities.

COUNT EIGHT – VIOLATIONS OF THE FEDERAL RICO ACT
(Against the RICO Defendants)

242. Plaintiff adopts and incorporates the allegations of the preceding paragraphs as if fully stated herein.

243. Defendants R.C., Shama, Jay, Mike, and Rishi (hereafter "the RICO Defendants") have violated the Federal RICO statute.

The Enterprise

244. The RICO Defendants have engaged in an open and ongoing pattern of racketeering activity as alleged below through their participation in their family business, an association-in-fact enterprise between themselves, other innocent family members (including Plaintiff and others), and entities formed for the purpose of acquiring and operating banks and hotels located in several states, including Georgia and South Carolina. Members of the family like Plaintiff have provided capital so that the entities formed by the RICO Defendants may acquire assets and properties, sometimes with the

addition of financing from outside the family. Some of that financing comes from these other investors in the form of equity, and some of the financing involves loans from unrelated entities. The RICO Defendants completely controlled the entities that owned those properties. In some instances, the RICO Defendants formed entities that they controlled to serve as managers for the properties.

245. Some of the structure of the enterprise was formalized through written agreements between the family members, including operating agreements for limited liability companies.

246. In some cases though, the structure of the enterprise was agreed to informally between the RICO Defendants. For example, in an August 8, 2008 e-mail exchange between R.C. and Mike, R.C. indicated that he was titling properties in specific entities like RM Kid One to evade limitations on how much debt an individual could guarantee. In response, Mike noted that this approach was fine with him as long as he and R.C. retained "control" over "all these entit[ies] and direction, and what the kid[']s shares and [rights] are."

247. The enterprise's structure also followed generational lines, with R.C. and Mike originally holding leadership positions based on their family

seniority. Over time, Jay and Rishi have assumed day-to-day control over the enterprise as R.C. and Mike have ceded control to their sons. Even as power has shifted to the younger generation, the enterprise has continued to function in the same fashion – Jay and Rishi, like R.C. and Mike before them, control and operate the family business on behalf of their relatives and outside investors, who traditionally were simply passive investors and sources of financing.

248. The purpose of the family's business – before it was corrupted by the RICO Defendants – was to build wealth for the members of the family by acquiring and selling hotels and other properties, generating income for members of the family from the operations of the properties, and using the proceeds from the sale of properties (both capital gains and income) to purchase additional properties to benefit all of the family members in proportion to their original contributions to the enterprise. Plaintiff shared that goal.

249. Each of the RICO Defendants has participated in the operation and management of the affairs of the enterprise. Each has held a management role at one or more of the entities that make up the family business, and each of the RICO Defendants has participated in the overall strategic decision

making of the family business with respect to the acquisition, sale, and use of the properties' assets.

250. The Patel's family business constitutes an association-in-fact enterprise pursuant to 18 U.S.C. § 1961(4).

251. The enterprise affects interstate commerce in a variety of ways.

252. The enterprise operates hotels and other businesses in multiple states.

253. The enterprise, through the entities formed to carry it out, has bank accounts with federally insured financial institutions located in multiple states.

254. The enterprise, through the entities formed to carry it out, operates hotels whose income is derived from, *inter alia*, patrons traveling between states.

255. The RICO Defendants accepted and retained the benefits of the racketeering activity described below, thereby ratifying the conduct of the members of the enterprise who assisted them in committing the acts of racketeering activity. Those benefits consist principally of payments made from entity accounts for the personal benefit of the RICO Defendants and their immediate family members.

The RICO Defendants' Pattern of Racketeering Activity

256. The RICO Defendants are engaged in an ongoing pattern of racketeering activity as defined by 18 U.S.C. § 1961(5).

257. The RICO Defendants' pattern of racketeering activity consists of more than two acts of racketeering activity which are related and the most recent of which occurred within ten years of a prior act of racketeering activity.

Mail Fraud (18 U.S.C. § 1341)

258. As alleged above, the RICO Defendants scheme to deprive the members of Carnegie Hotels and Diplomat NBD of the value of their ownership interests by engaging in schemes that involved the transmission of false information and documents by U.S. Mail.

259. As alleged above, the RICO Defendants generated and/or signed false documents (including Operating Agreements and other corporate records, personal and corporate financial statements, and loan documents), which they transmitted to their counterparties, lenders and others in order to facilitate the fraudulent transfers of assets, funds, and properties alleged herein.

260. On one or more occasions, the RICO Defendants carried out this scheme by using mail delivered by the United States Postal Service.

261. As a direct result of the RICO Defendants fraudulent scheme, they were able to illegally obtain money and property that belonged to Plaintiff and others.

262. The RICO Defendants' violations of 18 U.S.C. § 1341 constitute racketeering activity pursuant to 18 U.S.C. § 1961(1)(B).

Wire Fraud (18 U.S.C. § 1343)

263. As alleged above, the RICO Defendants devised a scheme through which they would strip the equity out of properties purchased through the family business, and divert income generated by those properties to their personal benefit.

264. The RICO Defendants scheme was intended to defraud Plaintiff and other members of the family who were invested in the family business, as well as creditors.

265. On more than one occasion, the RICO Defendants carried out this scheme by means of the wires, including telephone calls, e-mail messages, and electronic funds transfers.

266. The wires the RICO Defendants sent were false because, among other things, they misrepresented the financial condition of persons and entities (*i.e.*, false corporate and personal financial statements that overstated

development expenses and individual net worth); misrepresented their authority to engage in transactions (*i.e.*, fabricated and unauthorized Operating Agreements which restated ownership); misrepresented the nature of transactions (*i.e.*, "refinance" versus short sale); misrepresented illegitimate debts as being legitimate (*i.e.*, bogus loan documents); misrepresented the true nature of payments (*i.e.*, transfers given without any consideration); misrepresented the role and authority of the RICO Defendants (*e.g.*, instructions to financial institutions and others made without authorization); and falsely accused Plaintiff of committing various crimes in an effort to obtain his deportation.

267. The wires were sent in interstate commerce because, among other things, they were transmitted across state lines and were sent using the Internet.

268. As a direct result of the RICO Defendants' scheme, the RICO Defendants illegally obtained money and property that belonged to Plaintiff and others.

269. The RICO Defendants' violations of 18 U.S.C. § 1343 constitute racketeering activity pursuant to 18 U.S.C. § 1961(1)(B).

Transportation of Stolen Property (18 U.S.C. § 2314)

270. On more than one occasion, each of the RICO Defendants have transmitted, transferred, or transported in interstate commerce money in excess of $5,000, knowing that the money was stolen, converted, or taken by fraud.

271. The property at issue was stolen, converted, or taken by fraud by the RICO Defendants from Plaintiff as alleged above. The specific property that was stolen consists of Plaintiff's interests in certain assets and properties (through entities formed for the purpose of holding such assets and properties) and the proceeds realized from the operation and sale of those assets and properties (including both income produced by the properties for their beneficial owners, equity, and appreciation).

272. The stolen property transmitted, transferred, or transported by each of the RICO Defendants consists of income diverted away from the members or shareholders in the entities that owned and operated the assets and properties, and also proceeds from the sale or refinancing of properties that were taken by the RICO Defendants, or at the direction of the RICO Defendants, for their personal use or benefit.

273. The RICO Defendants transmitted, transferred, or transported the stolen property in interstate commerce by, among other things, directing that

funds be wired between financial institutions, and by using funds stolen in one state to acquire property for themselves in another state (*e.g.*, some proceeds of the RICO Defendants theft were used in connection with the Myrtle Beach property and other properties outside of Georgia).

274. The RICO Defendants' violations of 18 U.S.C. § 2314 constitute racketeering activity pursuant to 18 U.S.C. § 1961(1)(B).

Transactions Involving Property Derived from Specified Unlawful Activity (18 U.S.C. § 1957)

275. Each of the RICO Defendants has engaged in one or more monetary transactions involving funds totaling $10,000 or more that were derived from "specified unlawful activity."

276. The funds that are the subject of the RICO Defendants' transactions are derived from "specific unlawful activity" pursuant to 18 U.S.C. § 1956(c)(7)(A) because, among other things, the funds are the proceeds of violations of the Federal RICO statute.

277. The RICO Defendants' violations of 18 U.S.C. § 1957 constitute racketeering activity pursuant to 18 U.S.C. § 1961(1)(B).

Hobbs Act (18 U.S.C. § 1951)

278. On on May 12, 2015, after Plaintiff filed suit against some of the

RICO Defendants in DeKalb County Superior Court, Jay sent a series of emails with attachments to (a) Plaintiff; (b) Plaintiff's ex-wife; (c) Plaintiff's sons; (d) Plaintiff's attorneys; (e) various attorneys at Alston & Bird, LLC, including Teresa Bonder, the spouse of one of Plaintiff's attorneys; (f) various officials at the State Bar of Georgia; (g) U.S. Citizenship and Immigration Services; and (h) the Federal Bureau of Investigations.

279. The email defamed Plaintiff and his counsel and accused them of committing crimes and engaging in unethical conduct.

280. Jay sent this email not because Plaintiff or his counsel had engaged in any criminal or unethical conduct, but instead with the intent to threaten and extort Plaintiff into dropping his lawsuit through which he asserted his right to recover property from the RICO Defendants.

281. Jay's threat and attempted extortion involved and affected interstate commerce in that it was sent by email to, among others, federal agencies based in Washington, D.C. and attorneys at multi-national law firm.

282. Jay's threat and attempted extortion resulted in economic loss to Plaintiff because he has had to incur legal fees defending against investigations initiated by the RICO Defendants and pursuing a defamation claim against Jay to vindicate his reputation in his business community.

283. Jay's violation of 18 U.S.C. § 1951 constitutes racketeering activity pursuant to 18 U.S.C. § 1961(1)(B).

The RICO Defendants' Acts of Racketeering Activity are Related

284. The RICO Defendants' acts of racketeering activity involve transactions, properties, and entities in which Plaintiff is or was an investor or beneficial interest holder.

285. The RICO Defendants' acts of racketeering activity have the same or similar intent, which is to obtain property or control over property from Plaintiff and others, through illegal means.

286. The RICO Defendants' acts of racketeering activity have the same or similar result, which is that the RICO Defendants actually obtained property or control over property from Plaintiff and others, through illegal means.

287. The RICO Defendants' acts of racketeering activity have the same or similar victims: investors or beneficial interest holders, including Plaintiff, in properties controlled or managed by the RICO Defendants.

288. The RICO Defendants' acts of racketeering activity were committed using the same or similar methods, including by way of example and not limitation: (a) diverting the income from properties away from the beneficial interest holders in the properties for the use and benefit of the RICO

Defendants, (b) encumbering properties with false or misleading mortgages or liens to encumber and seize equity in the properties that should have inured to the benefit of the members or shareholders of the companies that owned the properties, (c) transferring real property or other property interests out of the entities that rightfully owned them for the benefit of the RICO Defendants, and (d) threatening victims with criminal prosecution in order to coerce them to abandon their claims for compensation.

289. The RICO Defendants' acts of racketeering activity are interrelated by distinguishing characteristics and are not isolated incidents. Those acts involve the same or similar methods of commission, the same or similar benefits to the RICO Defendants, the same or similar injuries to Plaintiff, and the same or similar efforts to conceal the RICO Defendants' misconduct and illegal activity.

290. The RICO Defendants' acts of racketeering activity were and remain their regular way of conducting business – the RICO Defendants have repeatedly treated the properties owned by the entities identified above, as well as the money owned by those entities, as if they were an ATM machine from which the RICO Defendants would make withdrawals at will for personal use.

291. The RICO Defendants' related acts of racketeering activity have taken place since at least the middle of the 1990s and continue through the present, and have involved several properties located in different states, including Georgia, South Carolina, New Jersey, Florida, Illinois, and Tennessee.

The RICO Defendants' Violations of the Federal RICO Statute

292. The RICO Defendants violated 18 U.S.C. § 1962(a) by receiving income derived, directly or indirectly, from a pattern of racketeering activity and using or investing that income or the proceeds of that income, in the acquisition of an interest in, or the establishment or operation of, an enterprise which is engaged in, or the activities of which affect, interstate commerce.

293. The RICO Defendants violated 18 U.S.C. § 1962(b) by, through a pattern of racketeering activity, acquiring and maintaining, directly or indirectly, an interest in or control of an enterprise which is engaged in, or the activities of which affect, interstate commerce.

294. The RICO Defendants violated 18 U.S.C. § 1962(c) by associating with an enterprise engaged in, or the activities of which affect, interstate commerce by conducting or participating, directly or indirectly, in the conduct of the enterprise's affairs through a pattern of racketeering activity.

295. The RICO Defendants violated 18 U.S.C. § 1962(d) by conspiring with others to violate 18 U.S.C. § 1962(a), (b), or (c). In furtherance of that conspiracy, the RICO Defendants committed overt acts that include but are not limited to the racketeering activity alleged above.

The RICO Defendants' Federal RICO Violations

Proximately Caused Injury to Plaintiff

296. The RICO Defendants' illegal behavior was directly targeted at Plaintiff. They diverted income away from entities in which Plaintiff held an ownership interest, and used false mortgages and liens to mask their illegal activity.

297. Plaintiff has been injured by reason of the RICO Defendants' violations of 18 U.S.C. § 1962(a)-(d) and is entitled to recover three times the actual damages he has sustained pursuant to 18 U.S.C. § 1964(c).

298. Pursuant to 18 U.S.C. § 1964(c), Plaintiff is also entitled to collect his reasonable attorney's fees from the RICO Defendants.

COUNT NINE – ATTORNEY'S FEES AND EXPENSES OF LITIGATION
(Against the Settling Defendants)

299. Plaintiff re-alleges and incorporates by reference the allegations set forth in the preceding paragraphs as if fully set forth herein.

300. The RICO Defendants, by and through their conduct, have been

stubbornly litigious, acted in bad faith, and are causing Plaintiff unnecessary trouble and expense with the result that they are liable to Plaintiff for his expenses of litigation and reasonable attorneys' fees pursuant to O.C.G.A. § 13-6-11.

JURY TRIAL DEMAND

301. Plaintiff demands a trial by jury as to all claims that may be so tried.

PRAYER FOR RELIEF

302. WHEREFORE, Plaintiff requests (1) appointment of a receiver, (2) appointment of an accountant/auditor, (4) imposition of a constructive trust, (5) avoidance of fraudulent transfers, and (6) the entry of a judgment in his favor against Defendants for compensatory, treble, punitive, and exemplary damages, along with an award of prejudgment interest and of attorney's fees (including fees incurred to investigate Defendants' violations of the Georgia RICO Act) and expenses of litigation pursuant to 18 U.S.C. § 1964(c) and O.C.G.A. § 13-6-11.

This 24th day of March, 2017.

FRIED & BONDER, LLC

/s/ Joseph A. White
Scott L. Bonder

Georgia Bar No. 066815
Joseph A. White
Georgia Bar No. 754315

White Provision, Suite 305
1170 Howell Mill Rd. NW
Atlanta, GA 30318
Phone: (404) 995-8808
Facsimile: (404) 995-8899

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

PRAKASH PATEL, Intervenor-Plaintiff, v. JAY R. PATEL, MUKESH PATEL, RAJESH C. PATEL, RISHI PATEL, SHAMA PATEL, 218 CAPITAL PARTNERS, LLC, CARNEGIE CAFÉ, LLC, CARNEGIE HOTEL MANAGER, LLC, CHELSEA CAPITAL PARTNERS, LLC, DIPLOMAT COMPANIES, LLC, DIPLOMAT HOSPITALITY II, LLC, DIPLOMAT HOSPITALITY III, LLC, DIPLOMAT NBD HOTELS, LLC, RM KIDS, LLC and RM KID ONE, LLC, Defendants.	CIVIL ACTION FILE NO. 1:15-CV-03862-TCB **JURY TRIAL DEMANDED**

CERTIFICATE OF SERVICE

I hereby certify that I have on March 24th, 2016, served a true and accurate copy of the foregoing **FIRST AMENDED VERIFIED COMPLAINT OF PLAINTIFF PRAKASH PATEL** with the Clerk of Court using the CM/ECF system which will automatically send to the following attorneys of record:

Hayden R. Pace
Jordan D. Arkin
Stokes Wagner Hunt Maretz
& Terrell, ALC
One Atlantic Center, Suite 2400
1201 W. Peachtree Street, NW
Atlanta, GA 30309

Bryan M. Knight
Sherri G. Buda
Knight Johnson, LLC
One Midtown Plaza
1360 Peachtree Street NE,
Suite 1201
Atlanta, GA 30309

Jeffrey D. Horst
Michael A. Boutros
Krevolin & Horst, LLC
One Atlantic Center
1201 W. Peachtree Street, N.W.
Suite 3250
Atlanta, GA 30309

FRIED & BONDER, LLC

/s/ Joseph A. White
Scott L. Bonder
Georgia Bar No. 066815
Joseph A. White
Georgia Bar No. 754315

White Provision, Suite 305
1170 Howell Mill Rd. NW
Atlanta, GA 30318
Phone: (404) 995-8808
Facsimile: (404) 995-8899